

## Appendix

### **Selected Provisions of Law 189 (Predecessor to the General Expropriation Law)**

**Article 14.** No action by third parties may impede the expropriation or its effects. The rights of the claimant shall be considered transferred from the thing to its price or to the compensation, leaving the thing free of any encumbrance.

### **Selected Provisions of Law 13,264 (Predecessor to the General Expropriation Law)**

**Article 26.** No action by third parties may impede the expropriation or its effects. The rights of the claimant shall be considered transferred from the thing to its price or to the compensation, leaving the thing free of any encumbrance.

### **Selected Provisions of Law 21,499 (General Expropriation Law)**

**Article 5.** An expropriation will refer specifically to specific assets. It may also refer generically to the goods that are necessary for the construction of a work or the execution of a plan or project; in such case the declaration of public utility will be made based on technical reports referring to descriptive plans, cost analysis or other elements that support the plans and programs to be carried out through the expropriation of the goods in question, and the direct link or connection of the goods to be expropriated with the work, plan or project to be carried out must be established. In the event that the generic declaration of public utility refers to real estate, the different areas must also be determined, so that in the absence of individualization of each property, the areas affected by the said declaration are specified.

**Article 10.** Compensation will include only the objective value of the asset and the damages that are a direct and immediate consequence of the expropriation. Circumstances of a personal nature, sentimental value, hypothetical gains, or the increased value that the work to be performed may confer on the asset shall not be taken into account. No lost profits will be paid. The compensation will include the amount corresponding to the depreciation of the currency and the respective interest.

**Article 11.** No compensation shall be paid as to the improvements made on the property after the statutory declaration of the taking, except for all necessary improvements on the property.

**Article 12.** Compensation shall be paid in cash, unless the expropriated party agrees otherwise.

**Article 13.** Once the public utility of an asset has been declared, the expropriating party may acquire it directly from the owner within the maximum values estimated for that purpose by the National Court of Appraisals for real property, or by the competent technical offices to be designated in each case, for assets other than real property. In the case of real property, the maximum estimated value will be increased automatically and for all purposes by ten percent.

**Article 15.** In the absence of a settlement between the parties as to the value of the affected real property, the issue shall be determined by the courts. For this purpose, with regard to the compensation provided for in Article 10 of this Law, and notwithstanding any other item of evidence, the courts shall request the opinion of Argentina's Appraisal Court, which shall render its opinion within a period of ninety days. The machinery fixed or attached to the property to be expropriated shall be appraised in accordance with the provisions applicable to property other than realty.

**Article 16.** No contract executed by the owner entailing the creation of any right to the affected property after the effective date of the statutory declaration of taking shall be considered valid as to the expropriating party.

**Article 17.** In the absence of a settlement between the parties as to the value of the affected property when the property is other than realty, expert evidence shall be furnished, notwithstanding the role of the technical bodies mentioned in Article 13 of this Law. Three expert witnesses shall be appointed, one by each of the parties and a third by the court, unless the interested parties agree that only one expert be appointed.

**Article 18.** In the absence of a settlement between the expropriating party and the property owner, the expropriating party shall bring an expropriation action with the courts.

**Article 25.** If the expropriation affects property other than realty, the expropriating party shall forthwith obtain possession of the property, after making an escrow deposit of the amounts determined by the technical bodies mentioned in Article 13 of this Law. To the extent applicable, the provisions of Article 23 of this Law shall apply.

**Article 26.** After the court has granted possession of the property, all existing leases shall terminate. Tenants shall vacate the premises within thirty days, which term may be extended by the expropriating party if, at the expropriating party's discretion, there exist fair grounds that justify such extension.

**Article 28.** No action by third parties may impede the expropriation or its effects. The rights of the claimant shall be considered transferred from the thing to its price or to the compensation, leaving the thing free of any encumbrance.

**Article 29.** The expropriating party may withdraw from the action brought as long as the expropriation has not been completed. The expropriation shall be deemed to have been completed when the transfer of ownership to the expropriator has taken place by means of a final judgment, taking possession and the payment of compensation.

**Article 51.** An irregular expropriation action is appropriate in the following cases: a) If a law exists that declares an asset as of public utility, the State takes it without completing payment of the respective compensation. b) If, under the public utility declaration law, a moveable or real asset is indeed indisposable due to a clear difficulty or impediment in disposing of it under normal conditions. c) If the State imposes an improper restriction or limitation on the right of the holder of a good or thing, which results in injury to its property right.

**Article 54.** In an irregular expropriation judgment the compensable amounts will be set in the same way as stipulated for a regular expropriation judgment, as considered in Article 10 and thereafter of this law.

**Article 55.** To the extent applicable, all legal provisions that govern regular expropriation shall also govern irregular expropriation.

**Article 57.** When for reasons of public utility it were necessary to transitorily use a determined good or thing, movable or immovable, or a determined universality of them, temporary occupation may be used.

**Article 58.** Temporary occupation may arise from an abnormal, urgent, impending or sudden need, or to a normal, non-imminent need.

**Article 59.** Abnormal temporary occupation may be ordered directly by the administrative authority, and shall not result in any compensation, except for the harm or deterioration caused to the thing or the damages owed by the subsequent use of the thing in necessities different from those which strictly determined its occupation.

**Article 60.** No abnormal temporary occupation shall last longer than strictly required to meet the respective need.

**Article 67.** If the temporary occupation were to affect third parties, their rights shall be enforced against the amount of the compensation.

#### **Selected Provisions of Law 26,932 (YPF Expropriation Law)**

**Article 1.** The purpose of Articles 7, 11 and 12 of Law 26,741 and Article 12 of Law 21,499 is hereby declared to have been complied with and consequently ratifies the Convention on the Friendly Settlement and Expropriation Agreement concluded between the Argentine Republic, Represented by the Ministry of Economy and Public Finance and Repsol SA, Repsol Capital SL and Repsol Butano SA, signed on February 27, 2014, which as an Annex forms an integral part of this law.

**Article 2.** The Secretariat of Finances, dependent on the Ministry of the Economy and Public Finances, is hereby authorized to issue Bonds of the National Treasury in the conditions and amounts established in the Agreement referred to in the preceding article, The General Budget of the National Public Administration for the year 2014, approved by Law 26,895, as well as the issuance of Treasury bills as collateral for up to an original nominal value of US \$ 150 million (VNO USD 150,000,000) Term of eighteen (18) months from the date of issue in favor of the Bank of the Argentine Nation, to be used as counter-guarantee of the guarantee to be granted by said Bank.

### **Selected Provisions of Law 19,550 (General Corporations Law)**

**Article 233.** Meetings have exclusive competence to hear the issues included in Articles 234 and 235. They shall meet in the office or the place within the jurisdiction of the corporate address. Resolutions adopted pursuant to this law and the bylaws are mandatory for all the shareholders, except for the provisions of Article 245, and they must be fulfilled by the Board of Directors.

**Article 234.** The ordinary meeting must consider and solve the following issues: 1) Balance sheet, P&L statement, distribution of profits, company report and receiver report, and perform any other action related to management of the company pursuant to law or bylaws or submitted to it by the Board of Directors, the supervisory board or receivers; 2) Appointment and removal of directors and receivers, partners of the supervisory board and determination of their compensation packages; 3) Liability of directors, receivers and supervisory board; 4) Capital increases pursuant to Article 188. In order to consider items 1) and 2), it shall be called within four (4) months after the close of the business year.

**Article 235.** The extraordinary meeting shall cover all matters not within the competence of the regular meeting, the amendment of the bylaws and in particular: 1) Increase of capital, except for the terms of Article 188. The Board may only be authorized to set the time of issuance, method and terms of payment; 2) Reduction and repayment of capital; 3) Redemption, reimbursement and amortization of shares; 4) Merger, conversion and dissolution of the company, appointment, removal and remuneration of the liquidators, division; consideration of bills and other matters related to their management in the corporate settlement, the approval of which must be final; 5) Limitation or suspension of the preemptive right for the subscription of new shares under Article 197; 6) Issuance of debentures and their conversion into shares; 7) Issuance of bonds.

**Article 236.** Ordinary and extraordinary meetings shall be convened by the Board or receiver in the cases provided by law, or if either deems necessary or when required by shareholders representing at least five percent (5%) of the capital, where the bylaws do not set a lower representation. In the latter case, the request shall indicate the issues to be addressed and the board or the receiver shall call the meeting to be held on a date not later than forty (40) days of receipt of the request. If the board of the receiver fail to do so, the call may be made by the comptroller or judicial authority.

**Article 251.** Any decision of the meeting adopted in violation of the law, the bylaws or the regulations may be challenged with nullity by the shareholders who have not voted favorably in the respective decision and absent partners evidencing their capacity as shareholders at the date of the challenged decision. Shareholders who voted favorably may challenge if their vote is voidable on defect of will. In may only be challenged by directors, receivers, partners of the supervisory board or the comptroller entity. The challenge shall be brought against the company, before the court of its domicile, within three (3) months of the closing of the meeting.

**Article 252.** The court may suspend the enforcement of the contested decision at the request of the parties if there were serious grounds, and no injury for third parties, after a sufficient guarantee to compensate for any damage that the decision would cause to society.

**Article 253.** Unless dealing with the case of preventive measure referred to in the Article above, the trial shall only continue after the expiration of the term given in Article 251. Where there is a plurality of actions, they must accrue, and the Board of Directors shall be required to report the existence of others in each case file.

**Article 254.** The shareholders who voted in favor of the resolutions that are declared null and void are jointly and severally liable for the consequences thereof, without prejudice to the liability corresponding to the directors, trustees and members of the supervisory board.

**Article 384.** The provisions of this law are part of the Commercial Code.

### **Selected Provisions of the Argentine Constitution**

**Article 16.** Equality is the basis of taxation and public burdens.

**Article 17.** Property is inviolable, and no inhabitant of the Nation may be deprived of it except by virtue of a judgment pursuant to law. Expropriation for reasons of public interest must be authorized by law and compensated in advance. Congress alone imposes the taxes mentioned in Article 4. No personal service can be required except by virtue of a law or a judgment supported by law. Every author or inventor is the exclusive owner of his work, invention or discovery for the term granted him by law. The confiscation of property is stricken out forever from the Argentine Penal Code. No armed body may make requisitions, or demand assistance of any kind.

**Article 19.** The private actions of men that in no way offend public order or morality, nor injure a third party, are reserved only to God, and are exempt from the authority of the magistrates. No inhabitant of the Nation shall be compelled to do what the law does not order, or be deprived of what it does not forbid.

### **Selected Provisions of the Argentine Civil Code**

**Article 21.** Private agreements may not render without effect laws the observance of which is in the interest of public order and good morals.

**Article 502.** An obligation based on an illicit cause has no effect. The cause is illicit when contrary to the law or public order.

**Article 509.** In obligations subject to a term, the default occurs merely as a result of its expiration. If the term was not expressly agreed to but ensues tacitly from the nature and circumstances of the obligation, the obligee must notify the obligor to put it in default. If there was no term, the judge will set one by request of the party in a summary procedure, unless the obligee chooses to join the actions seeking establishment of the term and performance, in which case, the obligor will be put in default on the date indicated in the judgment for performance of the obligation.

**Article 511.** The debtor of an obligation is also liable for the damages and interest, when by his own fault he has failed to perform it.

**Article 627.** If the act becomes impossible without the debtor's fault, the obligation shall be extinguished for both parties, and the debtor must return to the creditor what he received for it.

**Article 628.** If the impossibility is due to the debtor's fault, the debtor shall be obliged to pay the creditor damages and interest.

**Article 629.** If the debtor is not willing or is unable to perform the act, the creditor may demand specific performance, unless violence were necessary against the person of the debtor. In the latter case, the creditor may seek damages.

**Article 652.** The penalty clause is that by which a person, to ensure the fulfillment of an obligation, is subject to a penalty or fine in case that person delays or does not execute the obligation.

**Article 653.** The penalty clause may only have as its object the payment of a sum of money, or any other performance that may be the object of the obligations, either for the benefit of the non-breaching party or a third party.

**Article 655.** The penalty or fine imposed on the obligation, takes the place of compensation for damages and interest, upon a breach; and the non-breaching party will not be entitled to other compensation, even if he proves that the penalty is not sufficient compensation.

**Article 888.** The obligation is extinguished where the performance that forms its matter becomes physically or legally impossible without the debtor's fault.

**Article 889.** If performance becomes impossible by fault of the debtor, or if he has made himself responsible for force majeure, either through a contractual clause that allocates to him the risks that they might bring, or because he is in default, the primitive obligation, either to give or to do something, is converted into the obligation to pay damages.

**Article 1204.** The non-breaching party may choose to require the breaching party to perform its obligations with damages. Termination may be requested even if the performance of the contract has been demanded; but performance cannot be requested when termination has been demanded.

**Article 2611.** The restrictions imposed to the private domain only in the public interest are governed by administrative law.

### **Selected Provisions of the Argentine Commercial Code**

**Article 207.** Civil law, insofar as it is not modified by this Code, is applicable to commercial matters and businesses.

**Article 216.** In contracts with reciprocal benefits, the power to terminate the obligations arising therefrom in case one of the contracting parties fails to fulfill its commitment is implicitly understood. However, in contracts in which part of the benefits had been fulfilled, those that have been fulfilled will remain final and will produce the corresponding effects in relation to them. If the benefit has not been performed, the creditor may require the breaching party to comply with its obligation within a term no less than fifteen days, unless the uses or an express agreement would establish a lower amount of time, with the damages derived from the delay; once the term has elapsed without the benefit having been fulfilled, the obligations arising from the contract will be terminated, without further action being necessary, and the creditor would be entitled to compensation for damages. The parties may expressly agree that the termination takes place in case any obligation is not fulfilled in the agreed form. In this case, the termination will take place automatically and will become effective as of the moment the interested party communicates to the breaching party, in a reliable manner, its willingness to terminate it. The non-breaching party may choose to require the breaching party to perform its obligations with damages. Termination may be requested, even if the performance of the contract had been demanded; but performance cannot be requested when termination has been demanded.

**Article 217.** The words in contracts and agreements must be understood in the meaning they have according to general usage, even if the obligor pretends to have understood them differently.